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Johnson Votes to Cut Taxes for Working Families

10% Bracket Lowers Taxes for 1.3 Million Connecticut Residents

WASHINGTON, D.C. – Congresswoman Nancy Johnson today voted to keep taxes lower for 1.3 million Connecticut residents by making the 10 percent tax bracket permanent.

“The new 10 percent bracket is helping more working families make ends meet and allowing them to keep more of the money they earn,” Johnson said. “It would be the height of unfairness to raise taxes on over 1.3 million middle-class and low-income Connecticut residents next year. This important bill rejects this unfairness, ensuring that tax relief for working Americans remains the law of the land.”

The 2001 tax cuts created the new low 10 percent rate to lessen the burden on working Americans. Because of this significant tax relief, the first \$14,000 of taxable income (\$7,000 for individuals) is taxed at 10 percent instead of 15 percent. This relief was accelerated in the 2003 tax cuts.

The 10 percent bracket, however, is scheduled to shrink by \$2,000 next year (\$1,000 for individuals) and will disappear entirely in 2011. Seventy-three million Americans will be burdened with an average tax hike of \$2,400 over the next decade as the 10 percent bracket shrinks, including 1.32 million Connecticut taxpayers, according to the Heritage Foundation.

Almost 300,000 Connecticut residents fall completely into the 10 percent bracket. Without this legislation, these low-income workers will be pushed into a higher, 15 percent tax bracket over the next decade.

The Ten-Percent Tax Bracket Permanency Act (H.R. 4275) makes the 10 percent bracket permanent, keeping taxes low for working families and preventing the gradual elimination of this lower tax rate. The House passed the bill by a 344-76 vote.

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